

SENATE BILL 935

M5, P2

4lr2906
CF 4lr2959

By: **Senator Gallion**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Department of General Services – Renewable Natural Gas Pilot Program –**
3 **Establishment**

4 FOR the purpose of requiring the Department of General Services, in consultation with the
5 Public Service Commission, to establish a Renewable Natural Gas Pilot Program in
6 the Department on or before a certain date; requiring the Department, in
7 consultation with the Commission, to issue a certain solicitation for a renewable
8 natural gas contract; authorizing the Department to enter into a contract to procure
9 renewable natural gas; requiring the Department to collect certain data, require the
10 completion of certain lifecycle analyses, and analyze certain economic costs and
11 benefits; and generally relating to the Renewable Natural Gas Pilot Program.

12 BY repealing and reenacting, without amendments,
13 Article – Public Utilities
14 Section 7–704.4(a)(1) and (3)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2023 Supplement)

17 BY adding to
18 Article – State Finance and Procurement
19 Section 4–325 and 4–326 to be under the new part “Part IV. State Purchase of
20 Energy”
21 Annotated Code of Maryland
22 (2021 Replacement Volume and 2023 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That the Laws of Maryland read as follows:

25 **Article – Public Utilities**

26 7–704.4.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) In this section the following words have the meanings indicated.

2 (3) “Social cost of greenhouse gases” means the most recent social cost of
3 greenhouse gases adopted by the U.S. Environmental Protection Agency.

4 **Article – State Finance and Procurement**

5 **4–323. RESERVED.**

6 **4–324. RESERVED.**

7 **PART IV. STATE PURCHASE OF ENERGY.**

8 **4–325.**

9 **(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**
10 **INDICATED.**

11 **(B) “PROGRAM” MEANS THE RENEWABLE NATURAL GAS PILOT PROGRAM.**

12 **(C) “SOCIAL COST OF GREENHOUSE GASES” HAS THE MEANING STATED IN §**
13 **7–704.4 OF THE PUBLIC UTILITIES ARTICLE.**

14 **4–326.**

15 **(A) ON OR BEFORE JANUARY 1, 2025, THE DEPARTMENT, IN**
16 **CONSULTATION WITH THE PUBLIC SERVICE COMMISSION, SHALL ESTABLISH A**
17 **RENEWABLE NATURAL GAS PILOT PROGRAM IN THE DEPARTMENT.**

18 **(B) THE PURPOSE OF THE PROGRAM IS TO PROCURE RENEWABLE NATURAL**
19 **GAS FOR USE AS A FUEL IN THE STATE’S TRANSPORTATION AND BUILDING SECTORS**
20 **TO EVALUATE THE ECONOMIC BENEFITS AND COSTS OF REPLACING FOSSIL**
21 **NATURAL GAS WITH RENEWABLE NATURAL GAS, ON A SHORT-TERM AND**
22 **LONG-TERM BASIS, IN FURTHERANCE OF THE STATE’S NET-ZERO STATEWIDE**
23 **GREENHOUSE GAS EMISSIONS REDUCTION GOALS.**

24 **(C) (1) UNDER THE PROGRAM, THE DEPARTMENT, IN CONSULTATION**
25 **WITH THE PUBLIC SERVICE COMMISSION:**

26 **(I) SHALL ISSUE A COMPETITIVE SEALED PROCUREMENT**
27 **SOLICITATION FOR RENEWABLE NATURAL GAS; AND**

1 **(II) MAY ENTER INTO AT LEAST ONE CONTRACT TO PROCURE**
2 **RENEWABLE NATURAL GAS.**

3 **(2) WHEN ISSUING THE INVITATION FOR BIDS UNDER THIS**
4 **SUBSECTION, THE DEPARTMENT SHALL TAKE INTO CONSIDERATION:**

5 **(I) THE COST-EFFECTIVENESS OF THE ADOPTION OF**
6 **RENEWABLE NATURAL GAS;**

7 **(II) THE SOCIAL COST OF GREENHOUSE GASES; AND**

8 **(III) THE STATE'S CLIMATE COMMITMENTS UNDER § 2-1204.2**
9 **OF THE ENVIRONMENT ARTICLE.**

10 **(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
11 **PARAGRAPH, RENEWABLE NATURAL GAS PROCURED THROUGH A CONTRACT UNDER**
12 **PARAGRAPH (1) OF THIS SUBSECTION SHALL BE GENERATED IN THE STATE.**

13 **(II) IF SUFFICIENT RENEWABLE NATURAL GAS GENERATED IN**
14 **THE STATE IS NOT REASONABLY AVAILABLE FOR THE PROGRAM, THE STATE MAY**
15 **PROCURE RENEWABLE NATURAL GAS FROM SOURCES OUTSIDE THE STATE.**

16 **(D) THE DEPARTMENT SHALL:**

17 **(1) COLLECT GREENHOUSE GAS EMISSIONS REDUCTION DATA THAT**
18 **DETERMINES WHETHER RENEWABLE NATURAL GAS MAY SUPPORT THE STATE'S**
19 **CLIMATE COMMITMENTS UNDER § 2-1204.2 OF THE ENVIRONMENT ARTICLE;**

20 **(2) REQUIRE THE GENERATOR OR OTHER APPROPRIATE ENTITY OF**
21 **RENEWABLE NATURAL GAS PROCURED UNDER THE PROGRAM TO COMPLETE A**
22 **CARBON LIFECYCLE ANALYSIS THROUGH AN INDEPENDENT, THIRD-PARTY**
23 **CONTRACTOR; AND**

24 **(3) ANALYZE THE ECONOMIC BENEFITS AND COSTS OF EXPANDING**
25 **THE USE OF RENEWABLE NATURAL GAS IN THE TRANSPORTATION AND BUILDING**
26 **SECTORS IN THE STATE.**

27 **(E) THE PROGRAM SHALL TERMINATE ON DECEMBER 31, 2027.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2024. It shall remain effective for a period of 3 years and 9 months and, at the
30 end of June 30, 2028, this Act, with no further action required by the General Assembly,
31 shall be abrogated and of no further force and effect.